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CONTACT: AMY STILWELL
(202) 395-3230**

**U.S., Australia, Canada and New Zealand initial Agreement on Mutual
Acceptance of Oenological Practices**

United States Trade Representative Robert B. Zoellick announced that the United States has initialed an Agreement on Mutual Acceptance of Oenological Practices with the governments of Australia, Canada and New Zealand. The Agreement was initialed on April 9, 2001 in Adelaide, Australia, by U.S. Ambassador Edward W. Gnehm, Jr.

Under the Agreement, each country will permit the importation of wines from the other signatory countries as long as these wines are made in accordance with each country's domestic laws, regulations and requirements on oenological practices. The United States already permits wine imports on these terms. This Agreement will commit these U.S. trading partners to ensure the same conditions for U.S. wines.

The Agreement recognizes that different countries use different wine making practices due to local conditions, climatic variations and traditions, and that grape growing and wine making practices are constantly evolving. The United States believes that for countries with strong mechanisms in place to regulate wine making, mutual acceptance is the optimal way to facilitate wine trade.

In other provisions, the Agreement will establish transparency requirements and consultation and dispute settlement mechanisms. The United States will also enter into negotiations on wine labeling under the terms of the Agreement. The Agreement does not limit the United States' rights or obligations under the WTO Agreement, including the right to take measures for the protection of human health and safety.

U.S. wine exports to Australia, Canada and New Zealand totaled \$93.3 million in 2000, while U.S. wine imports from the three countries were valued at \$300 million.

Background:

The Agreement will enter into force when two of the four initialing countries deposit their instruments of acceptance with the depository country (the United States). The remaining two initialing countries will each become a party to the Agreement when they deposit their respective instruments of acceptance.

Argentina, Chile and South Africa participated in the negotiation of the Agreement, and have the option to join it prior to March 31, 2002. Other countries can be invited to join the arrangement under procedures and conditions established in the Agreement.